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June 11, 1999

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 Twelfth Street, SW, Room TWB-204
Washington, DC 20554

Re: Notice of Ex Parte meeting
Second Application of BellSouth Corporation, BellSouth Telecommunications, Inc., and BellSouth Long Distance, Inc., for Provision of In-Region, InterLATA Services in Louisiana, CC Docket No. 98-121

Dear Ms. Salas:

On Thursday, June 10, 1999, Jay Bradbury, David Eppsteiner, Sharon Norris, Robert Quinn, Marsha Rule, Scott Stinson, and I, of AT&T, met with Bill Agee, Eric Einhorn, Andrea Kearney, Carol Mattey, Claudia Pabo, Julie Patterson, Daniel Shiman, and John Stanley, of the Commission's Common Carrier Bureau. During the meeting, we discussed the referenced proceeding and presented the attached material.

Two copies of this Notice are being submitted to the Secretary of the FCC in accordance with Section 1.1206 of the Commission's rules.

Sincerely,

cc: B. Agee
E. Eihnhorn
A. Kearney
C. Mattey
C. Pabo
J. Patterson
D. Shiman
J. Stanley

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BELL SOUTH 271 REVIEW

STATUS OF DEFICIENCIES IDENTIFIED IN LOUISIANA II ORDER and ADDITIONAL CONCERNS

DEFICIENCIES	STATUS
SYSTEM MECHANIZATION AND INTEGRATION	» TAG pre-order / order integration has limited usage to date » Continued delays in the delivery of rejection notices » Continued delays in the delivery of Firm Order Confirmations (FOCs) » No updates to maintenance and repair interfaces » No showing that systems can support a reasonable demand forecast
FLOW THROUGH	» No mechanization of UNE ordering systems – ALL MANUAL » No mechanization of UNE combination ordering systems – ALL MANUAL » Continued reliance of manual processing for LNP orders » Continued heavy reliance on manual processing for all types of services

COMPLEX ORDERS/ PARTIAL MIGRATIONS	**» No proven electronic ordering process for complex services** **» Insufficient UNE functionality for combinations; complex directory listings and split accounts**
THIRD PARTY TESTING	**» Brief Overview of Test Plan** **» NY v. GA**
PERFORMANCE MEASUREMENTS AND MONITORING	**» Set of Measures still incomplete; for example, BST has not yet incorporated measures designed to promptly correct problems and prevent re-occurrences** **» Level of disaggregation still inadequate** **» Performance standards for assessing parity are still non-existent and BST continues to refuse to provide data on its retail operations** **» Results not validated with a sound statistical analysis, masking variances** **» Proposed enforcement measures too limited with penalties provide no meaningful incentive to comply; potential for back-sliding** **» No audit proposal yet approved** **» No effective change management**

ADDITIONAL CONCERNS

PRICING	**» GA Order and impact on pricing and NRCs**
COLLOCATION	**» Experiencing loop cut-over delays similar to those in NY; investigation has been commenced to determine causes** **» Delays in meeting due dates on physical collocations**
UNEs	**» Still no commitment by BS to provide certain UNEs or any UNE combinations** **» No commitment to provide loop-transport combination**
UNE-P	**» No clear commitment to provide UNE-P, as supported by the GA Commission** **» Yet providing it to Access One in a "voluntary" relationship outside the scope of the FTA** **» Depriving CLECs of certainty needed to develop and deploy UNE-P systems and support**

Discussion with FCC

BellSouth's OSS Evaluation Plan and Audit Test Plan

June 10, 1999

Benefits of BellSouth's Plan

1. BellSouth has selected skilled testers.

2. The BellSouth plan incorporates elements of the New York plan.

3. HP, rather than BellSouth, will initiate test orders.

4. UNEs, including some combinations, will be tested. EDI and TAG will be tested.

5. Flow-through will be audited.

6. The BellSouth plan will address each of the five OSS areas, including pre-ordering, ordering, provisioning, billing and repair.

7. The test provides for some functionality testing.

8. The test includes volume testing of some interfaces.

9. The plan requires re-testing of program failures or defects that reach a specified severity level.

Concerns with BellSouth's Plan

1. The BellSouth plan is not designed to test whether BellSouth is providing CLECs the same quality of service it provides itself.

No aspect of BellSouth's retail performance is reviewed, including its documentation, on-site observation of its performance for itself, or its performance results data. The plan merely requires the 3PT to collect data on the test, BellSouth to collect data on the test, and an auditor to compare the results of the collected data based on some undefined criteria. No BellSouth retail data is reviewed, nor are any comparisons made to retail data or CLEC aggregate data. Additionally, no standards of performance requirements are defined, nor are existing performance measures validated.

2. It appears that the 3PT tester will not build an interface to test BellSouth's OSS.

The 3PT (HP, not KPMG) will instead use BellSouth's facilities to conduct the functional test (xst TAG test client, PC-EDI, and BAP). The volume tests are unclear. Not only will the critical issue of a CLEC's ability to build to BellSouth's documentation not be tested, the test also appears to be largely or totally outside the BellSouth production systems which are the subject of the test. (In the past Ernst & Young and BellSouth, in constructing tests, have created copies of existing databases accessed only by the test and built test beds in stand-alone data bases.)

3. The BellSouth Test Plan will not evaluate OSS in compliance with scope of the Georgia Commission's Order.

--No interface will be built to the EDI mainframe, and it will not be part of the test.
--EODUF will only be partially tested
--Billing Documentation Evaluation—"this test will not determine whether system functionality matches functionality described in the documentation."
--The physical work associated with Maintenance will not be reviewed or tested.

4. BellSouth's plan to review change control is inadequate.

Not only is BellSouth's decision to "maintain a stable OSS environment for the duration of the test" inconsistent with CLEC's experience of constant change, its change control proposal is designed to ignore the way changes are made. By focusing only on the Electronic Interface Change Control process, the review will

not address the manner in which most changes are made to interfaces and related documentation needed by CLECs. Further, the review of the change management process involves only document review and interviews, with no observation or usage of the process.

5. BellSouth's plan does not test other critical support functions.

Additionally, there is no planned review of the LCSC, the Account Team, network and interconnection planning, help desk functions, all CLEC training, and collocation.

6. BellSouth's plan to audit flow-through is not in accordance with the Georgia Commission's Order.

Instead of conducting the "full audit of the latest three months of data underlying BellSouth's Percent Flow-Through Service Request report **submitted in its monthly filing** in Docket 7892-U in order to ensure that the **results reflected therein** are correct", BellSouth is instead conducting its audit merely from the test data.

7. BellSouth appears to have relegated KMPG to a role of auditor that reviews outcomes and process, and has either assigned new activities to HP (compared to NY), or (less likely) taken the role for themselves.

Such assignment to HP severely limits the ability to take advantage of the experience gained by those firms in New York. If BellSouth is involved, it further compromises the independence of the test.

8. BellSouth's plan falls far short of the New York model upon which the BellSouth plan was based. (This comparison takes into account the limited scope set by the Georgia Order)

While the document mirrors portions of the format and content of the New York plan, the Georgia plan is replete with inadequate, missing, or vague information. The information contained in the plan indicates reviews that are not as comprehensive as those required in New York.

Examples include:

--Specifics on normal and peak volume data are omitted
--It is unclear what types of issues will be considered a defect (the Severity definitions appear to be severely limiting and it is unclear what action is taken on issues not included in that narrow scope)
--It is unclear what conditions have to exist for a defect to be corrected.
--It is unclear what the expected results for a test are
--Inputs and outputs of tests are not defined.
--It is unclear who performs the role of the test manager.
--No review of BellSouth retail operations and results
--No stated requirement for the Test Transaction Generator to documents its ability to build, test, and place in operation the functionality to process transactions.
--No end to end review from service negotiation through provisioning
--No review of work center support for electronically generated orders
--No comprehensive review of coordinated provisioning
--No TAFI volume test
--No review to evaluate the equivalence of BellSouth's end-to-end processes for trouble reporting and repair of retail and wholesale services.
--No review or testing of build requirements and specifications of ECTA and TAFI.
--No review of joint coordination processes for Maintenance and Repair
--Fewer and simpler test scenarios
--No BIBS testing
--The plan states "The objective of the provisioning evaluation test is to evaluate BellSouth's performance in provisioning in UNEs as described in the Georgia Order." However, the Georgia Order does not make any such description.

9. The test plan calls for provisioning of the loop-port combination only via collocation. The plan therefore does not address provisioning combinations in an unseparated manner.

10. The test plan is severely limited in scope.

It will only test a few of the UNEs and interfaces used by competitors, drastically limiting the test's usefulness to regulators and competitors.

Only five UNE products will be tested, although the test plan states that BellSouth offers 80 UNEs.

The five UNEs being tested are further limited in that they will not be tested over the full range of pre-ordering, ordering, provisioning, billing, maintenance and repair processes.

Testing will not include critical improvements planned for OSS99 (planned for carrier to carrier testing in August and implementation in September) such as digital loops and complex directory listings.

11. The test is not independent.

BellSouth engaged the 3P testers and prepared the test plan. The 3P testers merely follow BellSouth's plan.

12. There is no CLEC involvement in the planning or the implementation of the test.

13. There appears to be no "blind testing".

For each transaction type test, the Plan calls for the test cycle manager to "coordinate efforts with BellSouth to ensure that BellSouth's performance systems is prepared to track test transaction performance prior to beginning the Test" and that test transactions be submitted according to schedule. Additionally, there is no live CLEC testing.

14. The exception reporting process has not been defined.

The plan states that BellSouth must agree with the reporting process. Some elements, such as defects and their correction are mentioned, but not adequately described. For example, the plan calls for 3 levels of severity of defects. It is not clear if all defects would fall into one of the three categories, or some would be outside the process. The severity definitions appear to be system related, but are also to be applied to other areas, e.g. provisioning and document review. Additionally, the plan calls for re-testing following appropriate correct measures if an undefined "significant" number of test conditions fail or are not covered.

PERFORMANCE MEASUREMENTS

Cheryl Livsey Bursh

June 10, 1999

STATUS OF PERFORMANCE MEASUREMENTS IN LOUISIANA

Comprehensive set of measures	No
Clear and appropriate documentation	No, but modifications promised
Dissagregation at meaningful levels	No, but enhancements promised
Procompetitive performance standards	No, but studies are underway to determine performance standards
Sound statistical procedures	No, but evaluations initiated
Third-party audit	Yes, but not yet started
Reporting expectations and report format	No
Agreed upon definition of compliance & consequences	No, but a BST proposal filed with FCC

CONTINUING DEFICIENCIES

Measures designed to correct problems promptly and prevent similar problems have been rejected by BST.

- % Service Loss from Early Cuts
- % Service Loss from Late Cuts
- Turned Up With Error at the Moment of Coordinated Cutover
- Emergency Number Portability Port Back Within One Hour Back to ILEC
- Mean Time To Restore for Service Outages During Cutovers

In Louisiana II, FCC stated, "We will also look favorably on BOC measures designed to correct problems promptly and to prevent similar problems in the future."

CONTINUING DEFICIENCIES

BellSouth currently fails to provide NPRM-recommended levels of disaggregation, thus undermining the usefulness of BellSouth's performance data.

- % Flow-through Service Requests
- % Rejected Service Requests
- Reject Interval
- Firm Order Confirmation Timeliness
- Average Completion Interval
- Mean Held Order Interval
- Average Jeopardy Notice Interval
- % of Orders Given Jeopardy Notices
- % Missed Installation Appointment
- % Provisioning troubles Within 30 Days
- Average Coordinated Customer Conversion
- Average Completion Notice Interval
- % Missed Repair Appointments
- Customer Trouble Report Rate
- Maintenance Average Duration
- % Repeat Trouble Within 30 Days
- Mean Time To Deliver Invoices
- Average Speed Of Answer(DA)

CONTINUING DEFICIENCIES

BellSouth fails to provide data for itself for some measures.

- % Rejected Service Requests
- Reject Distribution Interval
- Firm Order Confirmation Timeliness
- % Jeopardies
- Completion Notice Interval
- OS/DA Average Speed To Answer

In Louisiana II, FCC commented, "BellSouth again provides no data concerning its provision of equivalent information to its retail operation. Because BellSouth has failed to provide data comparing its delivery of FOC notices to competing carriers with how long it takes BellSouth's retail operation to receive the equivalent of a FOC notice for its own orders, BellSouth has not provided sufficient evidence to demonstrate that it is providing nondiscriminatory access.

CONTINUING DEFICIENCIES

Performance standards for evaluating whether BellSouth is providing nondiscriminatory access and support for UNEs do not exist

- % Flow-through Service Request
- % Rejected Service Request
- Reject Distribution Interval & Average Interval
- Firm Order Confirmation Timeliness
- Order Completion Interval
- Mean Held Order Interval
- Average Jeopardy Interval
- % of Orders Given Jeopardy Notice
- % Missed Installation Appointment
- % Provisioning Troubles Within 30 Days of Installation
- Average Completion Notice Interval
- % Missed Repair Appointments
- Customer Trouble Report Rate
- Maintenance Average Duration
- % Repeat Troubles Within 30 Days
- Out of Service > 24 Hours

STATISTICAL METHODOLOGY STATUS

- No statistical methodology ordered in Southern Region states
- Ongoing negotiations concerning LCUG's modified Z & Ernst & Young's Jackknife methodology
- Completed analysis of OCI data to validate modified Z as appropriate methodology
- Currently analyzing % Missed Installation Appointments & % Missed Repair Appointments to determine if variations in data are systemic or random
- Continuance of activity in Louisiana

BELLSOUTH'S PROPOSAL FOR SELF-EFFECTUATING ENFORCEMENT MEASURES

- Proposal too limited
- Insufficient disaggregation
- Absences of statistical methodology for evaluating results
- Payments do not provide a meaningful impact
- Not invoked unless 271 relief is granted

AUDIT PROPOSAL

PURPOSE: To ensure that BellSouth's Performance Measurement reporting procedures are sound and that data generation, collection, analysis and reporting are timely, accurate and complete

TIMEFRAME: July 15, 1999 - TBD

SCOPE: Verify existence of documentation.
Verify compliance of implementation
Confirm that orders ultimately generates appropriate data for performance measurement processes.
Verify accuracy, timeliness and completeness of reported results.

STATE: Louisiana

SUMMARY

COMMON CARRIER BUREAU STAFF GUIDANCE(2/10/99)

- BST has not incorporated all relevant performance measurements.
- Identification of retail analogs, including level of disaggregation, are incomplete.
- Identification of benchmark or performance standard where no retail analogs exists(e.g: based on state approved intervals, engineering studies, or other standards) is still incomplete.
- A statistical methodology which is used to compare actual performance results has not been determined.
- A threshold for determining whether differences in performance are competitively significant and whether analysis of the underlying cause for the difference is needed.
- Meaningful penalty amounts to prevent "backsliding" are not represented in BST's proposal.

FCC

Discussion On BellSouth

Operations Support Systems Status

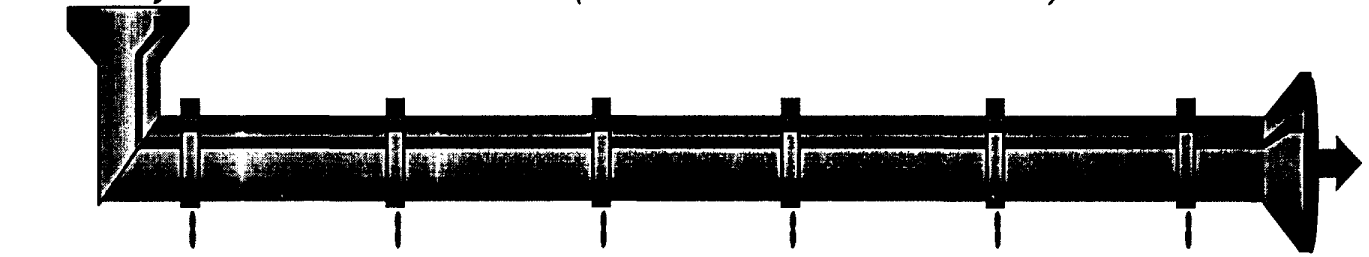
June 10, 1999

Jay Bradbury

BellSouth Flow-Through

Orders In:
≅ 203,888

Leaky Pipe Analysis
(CLEC Orders in March 1999)

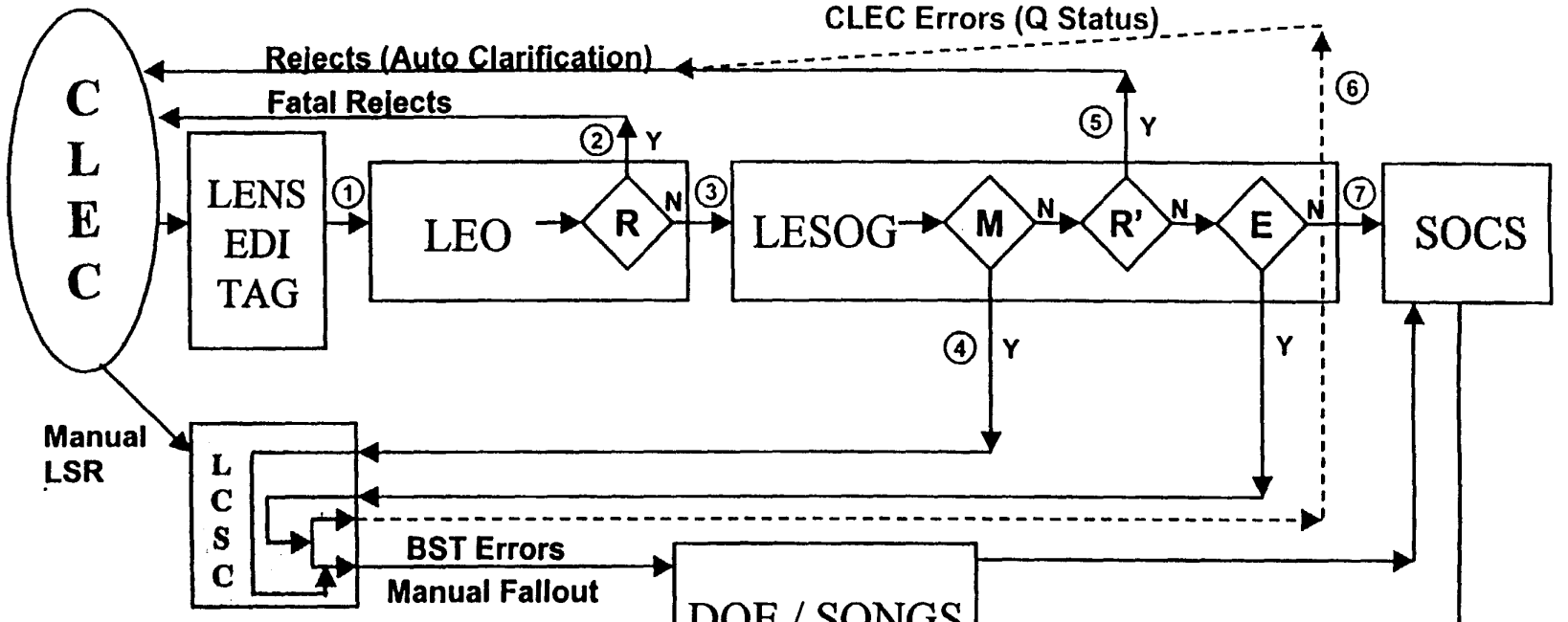


Orders Out:
54,679

(without manual intervention)

≅ 110,000	4,560	10,251	8,695	9,508	6,195
Manual Orders	Fatal Rejects	Manual Fallout	Auto Clarification	BST Errors	CLEC Errors
■ BST Decision Not to Automate Most Complex Services & UNEs ■ CLEC Business Decision Not to Use Electronic Ordering	■ Inadequate Front-End Editing	■BST Decision Not to Automate	■Inadequate Front-End Editing ■Lack of Integration ■Count & Allocation Issues	■Error Count Issues	■ Inadequate Front-End Editing ■ Lack of Integration ■ Error Count & Allocation Issues

CLEC Ordering Process Flow



Flow-Through = ⑦ / (③ - (④ + ⑤ + ⑥))

① EDI (or LENS) Method of Receipt
② Fatal Rejects
③ Total Mechanized LSRs
④ Manual Fallout (Fall out to LCSC)
⑤ Auto Clarification
⑥ CLECcaused Fallout (E errors id as Q status)
⑦ Issued Svc. Orders (LESOG Flow Through)

R - Fatal Reject - Returned to CLEC
M - Manual - Fall out to LCSC for manual processing
R' - Auto Clarification - Returned to CLEC
E - Error - Clarification by LCSC (either CLEC error or BST error)

What is an "M" Order

BellSouth - August 1998 - Reply Comments

Orders for four specific types of complex orders submitted electronically by CLECs using the EDI interface

BellSouth - April/May 1999 – Georgia, Alabama and Florida

"Not a static list"; "changes as the functionality of the systems change"; and "covers those LSRs that for whatever reason need to be handled manually." The list now includes at least 12 major categories that can occur on EDI, LENS or TAG orders:

Complex Services
Expedites
Special Pricing
Denials
Partial Migrations (other than as is)
Invalid Classes of Service in Certain States
New Accounts Not Posted
Low Volume Services
Accounts With Pending Orders
Restoral and Suspension of UNE Combinations
Transfer of Calls Option
Orders for 25 or More Lines

Flow-Through and Business/Complex Order Creation

BellSouth's New Position

Table Reconstructed from Paragraph 30, Page 22 of Ronald M. Pate 4/23/99 Affidavit to GPSC

Service representative employed by:	**Manually inputs:**	**Into ___ ordering system:**	**Which sends downstream:**	**Mechanical Service Order Generation by:**	**Resulting in:**	**Receipt of SO by:**
BellSouth Business	Service Order	DOE or SONGS (edits applied by BellSouth)	SO →→→→→	→→→→→→→	→→→→→	SOCS

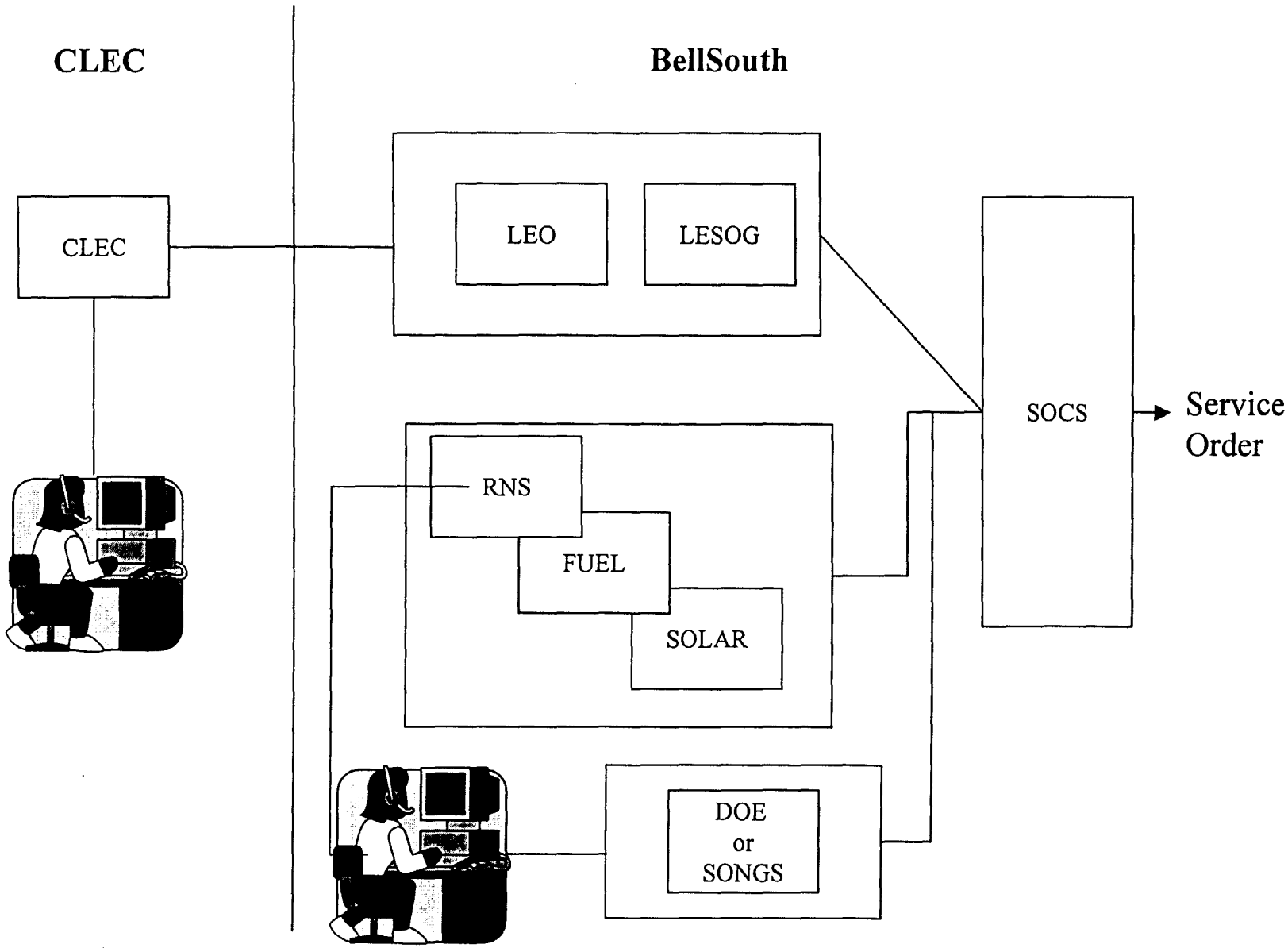
BellSouth, extrapolating from the Louisiana II Order, is now asserting that there is no mechanized service order generation for BellSouth business orders. Therefore, despite 20 months of reporting performance data BellSouth now claims that business flow- through is actually zero. More troubling, BellSouth now asserts that mechanized service order generation of business orders for CLECs is not required.

How Service Order Information Becomes a Service Order Service Orders for BellSouth and CLECs Do Not Exist Until Acceptance by SOCS

Service representative employed by:	**Manually inputs:**	**Into ___ ordering system:**	**Which sends downstream:**	**Which is edited and formatted by:**	**Resulting in:**	**SOCS performs:**	**Resulting in:**
CLEC	Service Order Information	CLEC OSS	Service Order Information in EDI or TAG format	LEO/LESOG	SOCS readable information sent to SOCS	SOER edits	Acceptance of input and creation of a service order and service order number or rejection due to error.
BellSouth Business	Service Order Information	DOE or SONGS	**Which is edited and formatted by:**		**Resulting in:**	SOER edits	Acceptance of input and creation of a service order and service order number or rejection due to error.
			Software programs running within the DOE or SONGS mainframe computer		SOCS readable information sent to SOCS		

All BellSouth Service Requests Are Capable of Flow-Through.

All BellSouth Service Requests Are Capable of Flow Through



FCC
Discussion on BellSouth Collocation and Cut Over Performance

June 10, 1999

Scott Stinson

Collocation Performance

48 Applications February 1, 1999 to End of April

Inquiry Responses Received on Time	**16 Applications**
Responses Received Late	**17 Applications**
Responses Late and Not Received	**13 Applications**
Responses Still Pending	**2 Applications**

Status Percentage of 46 Applications Due by End of April

Inquiry Responses Received on Time	**35% on time**
Responses Received Late and Not Received	**65% Late**

Collocation Performance
From BST self reported data

•BST's physical collocations have been increasing

BST has approximately 303 current Physical collocations, 374 current Virtual collocations, and *652 more Physical collocations in progress,* and 138 Virtual collocations in progress. (Source is BST May 20, 1999 Monthly Status filing in AL)

•AT&T has experienced continuous missed dates

•As the load increases, BST performance decreases

Responsiveness to physical collocation requests have slipped to 37 business days in March, from the 30 days in February and from the 30 day stated interval. Responses to virtual collocation has slipped to 32 days, the stated interval is 20 days.

Indeed, BST is showing misses now on physical arrangement completions of 15% for the month of April.
(Note, collocation data crosses months, for example, April data is from March 22 to April 21.)

AT&T IS BRACING FOR A CONTINUED WORSENING OF COLLOCATION PERFORMANCE